

PEPPER, HAMILTON & SCHEETZ
ATTORNEYS AT LAW
123 SOUTH BROAD STREET
PHILADELPHIA, PENNSYLVANIA 19109
215-893-3000

JAMES A. OUNSWORTH
215-893-3466

H. Gordon Homme, Jr.
Acting Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Homme:

I am sending herewith for filing in your office pursuant to 49 USC 11303 (formerly Section 20c of the Interstate Commerce Act), six counterparts of each of the following:

- (a) Purchase Order Assignment dated as of December 1, 1978 between Stauffer Chemical Company and Trust Company for USL, Inc.;
- (b) Security Agreement dated as of December 1, 1978 between Trust Company for USL, Inc. and Union Mutual Life Insurance Company covering 250 covered hopper cars for use in Interstate Commerce;
- (c) Equipment Lease dated as of December 1, 1978 between Trust Company for USL, Inc. and Stauffer Chemical Company to which the cars are leased.

There is also enclosed a check in the amount of \$150.00 for the recordation fees. The names and addresses of the parties to the transaction are as follows:

Secured Party:	Union Mutual Life Insurance Company 2211 Congress Street Portland, Maine 04112
----------------	--

10046
RECORDATION NO. 10046
JAN 22 1979-10 40 AM
INTERSTATE COMMERCE COMMISSION
10 SOUTH MARKET SQUARE
HARRISBURG, PA. 17108
717-233-8483
1776 F STREET, N. W.
WASHINGTON, D. C. 20006
202-862-7500
19 CENTURY PARK EAST
LOS ANGELES, CA. 90067
213-879-0904

10046
RECORDATION NO. 10046
JAN 22 1979-10 40 AM
INTERSTATE COMMERCE COMMISSION
January , 1979
No. 8-0254013
Date JAN 25 1979
Fee \$150.00
ICC Washington, D. C.

10046
RECORDATION NO. 10046
JAN 22 1979-10 40 AM
INTERSTATE COMMERCE COMMISSION

NO RECORDATION OR
FEE OPERATION OR
JAN 25 1979
10 40 AM '79

H. Gordon Homme, Jr.
January , 1979
Page 2

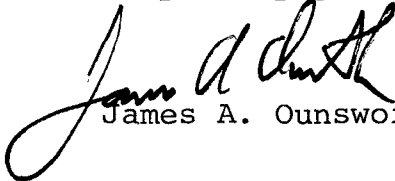
Lessor: Trust Company for USL, Inc.
as Trustee under Stauffer
Chemical Trust No. 1
P.O. Box 66011 AMF, O'Hare
Chicago, Illinois 60066

Lessee: Stauffer Chemical Company
Westport, Connecticut 06880

The equipment covered by the agreements consists of 250 100-ton CF4600 30"/gravity covered hopper cars with A.A.R. mechanical designation LO, bearing Lessee road numbers STAX76001-STAX76250, inclusive; and marked "Leased from a Bank or Trust Company, as Trustee, and subject to a Security Interest recorded with the ICC."

Kindly return to the bearer five counterparts of each of the documents.

Very truly yours,


James A. Ounsworth

JAO/mlm
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

1/25/79

OFFICE OF THE SECRETARY

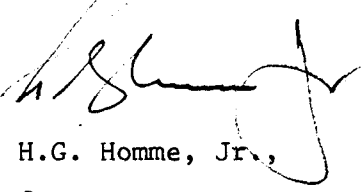
James A. Ounsworth

Pepper, Hamilton & Scheetz
123 South Broad Street
Philadelphia, Pa. 19109

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 1/25/79 at 10:40am and assigned recordation number(s) 10046, 10046-A, 10046-B

Sincerely Yours,


H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

110046
RECORDATION NO. 1425

²⁵
JAN 28 1979 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

PURCHASE ORDER ASSIGNMENT

Dated as of December 1, 1978

BETWEEN

TRUST COMPANY FOR USL, INC.
as Trustee

AND

STAUFFER CHEMICAL COMPANY

(Stauffer Chemical Trust No. 1)
(250 Covered Hopper Cars)

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Attachments to Purchaser Order Assignment:

Exhibit A -- Copy of Purchase Order

Exhibit B -- Consent and Agreement

PURCHASE ORDER ASSIGNMENT

PURCHASE ORDER ASSIGNMENT dated as of December 1, 1978 between TRUST COMPANY FOR USL, INC., an Illinois corporation, not individually but solely as Trustee (the Trustee) under a Trust Agreement dated as of the date hereof (the Trust Agreement) with Chemical Bank and City National Bank (collectively, the Trustors), and STAUFFER CHEMICAL COMPANY, a Delaware corporation (the Lessee).

R E C I T A L S:

A. The Lessee has agreed to purchase two hundred fifty (250) covered hopper cars (collectively, the Equipment, and individually, an Item of Equipment) from ACF Industries Incorporated, a New Jersey corporation (the Manufacturer), pursuant to a certain purchase order, a copy of which is attached hereto as Exhibit A (the Purchase Order);

B. The Lessee desires to lease, rather than to purchase, the Equipment under and subject to the terms and conditions of an Equipment Lease (the Lease) referred to in Section 1 of the Trust Agreement; and

C. The Trustee is willing to purchase the Equipment on the terms and conditions of this Agreement and, upon such purchase, the Trustee shall lease the Equipment to the Lessee.

D. The Trustee simultaneously herewith shall enter into a Participation Agreement dated as of the date hereof (the Participation Agreement) with Union Mutual Life Insurance Company (the Note Purchaser or the Secured Party), the Lessee and the Trustors providing for the commitment of the Note Purchaser to purchase the Secured Notes (the Notes) of the Trustee to provide a portion of the financing for the cost of the Equipment, which Notes will be secured by an assignment of the Trustee's right, title and interest in and to this Assignment, the Lease and in and to the Equipment pursuant to a Security Agreement dated as of the date hereof (the Security Agreement) between the Trustee and the Secured Party.

IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN
CONTAINED, THE TRUSTEE AND THE LESSEE HEREBY AGREE:

Section 1. ASSIGNMENT.

The Lessee does hereby assign and set over to the Trustee all of the Lessee's rights and interests in and to the Equipment and the Purchase Order as the same relate to the Equipment, except and to the extent reserved below, including, without limitation, in such assignment (a) the right to purchase the Equipment pursuant to the Purchase Order, and the right to take title to the Equipment and to be named the purchaser in the bill or bills of sale for the Equipment to be delivered pursuant to the Purchase Order; (b) all claims for damages in respect of the Equipment arising as a result of any default by the Manufacturer under the Purchase Order including, without limitation, all warranty and indemnity provisions contained in the Purchase Order, and all claims arising thereunder in respect of the Equipment; and (c) any and all rights of the Lessee to compel performance of the terms of the Purchase Order; reserving to the Lessee, however, so long and only so long as the Equipment shall be subject to the Lease and the Lessee shall be entitled to possession of the Equipment thereunder, (i) the rights to demand, accept and retain all rights in and to all property (other than the Equipment), data and service which the Manufacturer is obligated to provide, or does provide, pursuant to the Purchase Order, (ii) all rights, if any, in respect to spare parts as provided in the Purchase Order, and (iii) the right, if any, to obtain instructions and data pursuant to the Purchase Order.

Notwithstanding the foregoing, so long and only so long as the Trustee shall not have notified the Manufacturer in writing that an Event of Default (as defined in the Lease) or an event which with the passage of time or the giving of notice, or both, could cause an Event of Default, has occurred and is continuing, the Trustee authorizes the Lessee to the exclusion of the Trustee, to exercise in its own name all rights and powers of a purchaser under the Purchase Order and, subject to approval of the Trustee, to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity under the Purchase Order in respect of the Equipment, except the Lessee may not exercise any of the rights to purchase and take title to the Equipment unless, prior to the exercise thereof by the

Trustee as to the Equipment, the Trustee shall have delivered to the Manufacturer written notice that the Trustee has released such rights with respect to the Equipment.

Section 2. CONTINUING LIABILITY OF LESSEE;
EXCLUDED EQUIPMENT.

It is expressly agreed that, anything herein to the contrary notwithstanding: (a) the Lessee at all times shall remain liable to the Manufacturer to perform all of the duties and obligations of the Lessee as purchaser under the Purchase Order to the same extent as if this Assignment had not been executed, except for the Items of Equipment delivered to and accepted by the Trustee; (b) the execution of this Assignment shall not modify any contractual rights of the Manufacturer under the Purchase Order and the liabilities of the Manufacturer under the Purchase Order shall be to the same extent and continue as if this Assignment had not been executed; and (c) the exercise by the Trustee of any of the rights assigned hereunder shall not release the Lessee from any of the duties or obligations to the Manufacturer under the Purchase Order except to the extent that such exercise by the Trustee shall constitute performance of such duties and obligations.

The Trustee, the Trustors, and the Note Purchaser shall not have any obligation hereunder or under the Participation Agreement to the Manufacturer in respect of Items of Equipment not delivered and accepted on or before June 30, 1979 (the Outside Delivery Date) or for Items of Equipment with respect to which payment therefor would cause the aggregate Purchase Price (as defined in the Participation Agreement) for all Equipment to exceed \$9,098,000. Any such Item for which such obligations are so terminated shall be immediately excluded from the terms and provisions of this Assignment, the Participation Agreement and all other Fundamental Agreements referred to and defined in the Participation Agreement and in the event of such exclusion, the Lessee agrees with the Trustee, and also with and for the benefit of the Manufacturer as third party beneficiary to the undertakings of the Lessee set forth in this Section 2, that the Lessee will be obligated to purchase from the Manufacturer, to accept delivery of and pay for, any Item or Items of Equipment so excluded from this Assignment. The Manufacturer and the Lessee shall execute a separate agreement providing for the sale of such excluded Item or Items of Equipment upon the same terms and conditions as those contained in the Purchase Order.

Anything herein to the contrary notwithstanding, the delivery to and acceptance by or on behalf of the Trustee of any Item of Equipment excluded from this Assignment pursuant to the second paragraph of this Section 2 shall be ineffective, ab initio, to create in or transfer to the Trustee any legal or beneficial right or interest in such Item or to impose on the Trustee any liability, obligation or responsibility with respect thereto; any right or interest in any such Item created in or transferred to, or purported to be created in or transferred to, the Trustee shall be held by the Trustee solely as trustee for the benefit of the Lessee.

Section 3. POWER OF ATTORNEY.

The Lessee does hereby constitute the Trustee the true and lawful attorney of the Lessee, irrevocably with full power (in the name of the Lessee or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for money due and to become due under, or arising out of, the Purchase Order to the extent that the same have been assigned by this Assignment, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Trustee may deem to be necessary or advisable.

Section 4. PURCHASE OF EQUIPMENT.

The Trustee agrees, subject to the conditions applicable to each of the Trustors or the Note Purchaser, as the case may be, set forth in Section 4 of the Participation Agreement that on three dates, as the Lessee shall designate by not less than five days' prior written notice to the Trustee, to pay to the Manufacturer the Purchase Price of each Item of Equipment delivered and accepted in accordance with the terms of this Assignment and the Lease; provided, however, that the aggregate Purchase Price of such Items of Equipment shall not exceed \$9,098,000 and the Trustee shall have no obligation to make the aforesaid payment otherwise than from funds advanced to the Trustee by the Trustors pursuant to the Trust Agreement and from the proceeds of the sale of the Notes issued by the Trustee to the Note Purchaser pursuant to the Participation Agreement. The Trustee agrees that it will designate such payment date requested by the Lessee pursuant to this paragraph as a Closing Date under,

and as defined in, the Participation Agreement and the Trust Agreement by delivery of prior written notice or notices as required therein, calling for the purchase of the Notes under the Participation Agreement and the advance of funds under the Trust Agreement in an aggregate amount equal to the aggregate Purchase Price so designated for payment by the Lessee in the invoices; provided further, however, that the Closing Dates shall not be later than June 30, 1979.

Not less than five days prior to a Closing Date, the Lessee shall furnish to the Trustee an invoice or invoices of the Manufacturer accompanied by or having endorsed thereon a certification by the Lessee as to the correctness of the prices of the Items of Equipment set forth in said invoice or invoices.

Section 5. FURTHER ASSURANCE.

The Lessee agrees that at any time and from time to time, upon the written request of the Trustee, the Lessee will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Trustee may reasonably request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

Section 6. WARRANTIES AND INDEMNITIES OF LESSEE.

The Lessee does hereby represent and warrant that:

(a) The Lessee has the right to assign the Purchase Order as set forth herein.

(b) The Purchase Order is in full force and effect and is enforceable in accordance with its terms, and the Manufacturer and the Lessee are not in default thereunder nor has an event occurred which with the passage of time or the giving of notice, or both, would cause a default thereunder.

(c) The Lessee has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this instrument shall remain in effect, the whole or any part of the rights hereby assigned to anyone other than the Trustee. The Lessee agrees to warrant and defend the rights, title and interest of the Trustee to the Equipment, against the rights or claims of any persons arising on or

express or implied, as to the eligibility of the Equipment for investment tax credit or the effectiveness of such election, it being agreed that, as between the Trustors and the Lessee, the Lessee alone shall be responsible for the validity and effectiveness of such election. The Trustee on behalf of itself and each Trustor agrees that none of such parties will claim any investment tax credit in respect of the Equipment or take any action which would interfere with the Lessee's entitlement to the investment tax credit (other than in connection with a sale or other disposition of an Item of Equipment or interest of a Trustor after the occurrence of an Event of Default or a Casualty Occurrence under the Lease).

Section 10. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, but the counterpart delivered to the Secured Party shall be deemed to be the original counterpart.

Section 11. GOVERNING LAW.

This Agreement, and all of the rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment.

TRUST COMPANY FOR USL, INC.,
not individually but solely as
trustee under STAUFFER CHEMICAL
TRUST NO. 1

By _____

STAUFFER CHEMICAL COMPANY

By *A. J. Stillman*
VICE PRESIDENT



STATE OF :
COUNTY OF : SS.
:

On this day of January, 1979, before me personally appeared , to me personally known, who being by me duly sworn, says that he is of Trust Company for USL, Inc., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation as trustee by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation as trustee.

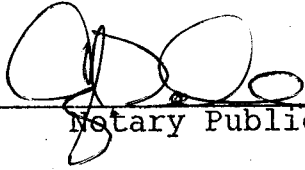
Notary Public

[NOTARIAL SEAL]

My Commission expires:

STATE OF Conn. :
COUNTY OF Fairfield : SS.
:

On this day of January, 1979, before me personally appeared R.N. Stillman , to me personally known, who being by me duly sworn, says that he is the Vice President of STAUFFER CHEMICAL COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

[NOTARIAL SEAL]

My Commission expires: March 31, 1983

Exhibit A
(to the Purchase Order Assignment)



Stauffer Chemical Company

Westport, Connecticut 06880 / Tel. (203) 222-3000 / Cable "Staufferchem"

January 17, 1979

Mr. H. William Swank
Manager, Eastern District Sales
ACF Industries, Inc.
750 Third Avenue
New York, New York 10017

Subject: 250 New Soda-Ash Hopper Cars
Wyoming State Tax
STAX 76001 - 76250

Dear Bill:

In response to your letter of January 16, 1979 (copy attached), we bring to your attention our January 16, 1979 letter confirming our Purchase Order for the subject cars (copy attached). We believe this should suffice as the Purchase Order Document.

With further reference to your January 16, 1979 letter, please note that neither Wyoming state sales nor use tax will apply to delivery of all 250 cars to our Green River, Wyoming facility. This decision is based upon review by our Tax Department. We will be pleased to execute and return a Wyoming State Tax Exemption Certificate to this effect, if you would kindly provide us with blank copies of the appropriate Exemption Certificate Forms.

We trust this will satisfy the open points at this time.

Very truly yours,

J. F. Zielinski
Manager, Equipment & Services
Distribution Department

JFZ:lvg

CC: J. C. Dempsey - Stauffer Westport
J. H. O'Lee - U.S. Leasing
J. F. McCarthy - ACF Industries



Stauffer Chemical Company

Westport, Connecticut 06880 / Tel. (203) 222-3000 / Cable "Staufferchem"

January 16, 1979

Mr. H. William Swank
Manager, Eastern District Sales
ACF Industries, Inc.
750 Third Avenue
New York, New York 10017

Subject: 250 New Soda Ash Hopper Cars
Purchase Confirmation
STAX 76001 - 76250

Dear Bill:

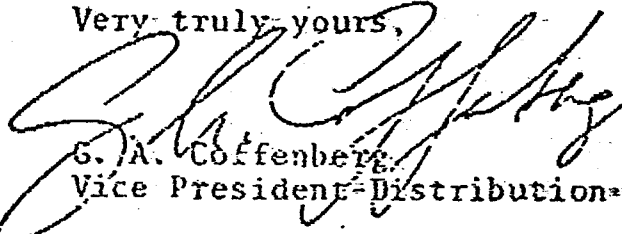
Please reference earlier letters of June 27, 1978 (intent to order) and August 10, 1978 (firm order approval notice) on this subject. Stauffer Chemical Company hereby agrees to purchase 250 new 4,600 ft.³ covered hopper cars from ACF Industries, Inc. The cars are to be constructed on your Lot No. 12-01385 (110 cars between January 15, 1979 and January 22, 1979) and Lot No. 12-01389 (140 cars between February 20, 1979 and March 1, 1979) according to Specification Nos. 12-01385 and 12-01389, dated November 9, 1978 and marked STAX 76001 through 76250.

Purchase price is \$31,900/car and subject to escalation as outlined in your new car quotation (dated May 16, 1978) including appropriate cost additions for certain specialty items as identified by Stauffer. Cars are to be delivered to Stauffer F.O.B. Huntington, West Virginia on the dates identified above.

Stauffer reserves the right to assign the purchase transaction to a third party under conventional financial lease agreement terms and conditions as indicated in our August 10, 1978 memo to you.

Please note final acceptance of each car is subject to Stauffer's inspection and all warranties and indemnities from ACF Industries, Inc. will be as (presented) in the attached Exhibit "A".

Very truly yours,



G. A. Coffenberg
Vice President-Distribution

GAC:lvq

CC: J. F. McCarthy-ACF Industries, Inc., St. Charles
H. J. O'Lee-U.S. Leasing



ACF INDUSTRIES

INCORPORATED

750 THIRD AVENUE, NEW YORK, N. Y. 10017, (212) 986-8600, CABLE ADDRESS: ACFUSA

January 16, 1979

Mr. J. F. Zielinski
Manager, Equipment & Services
Distribution Department
Stauffer Chemical Company
Nyala Farms Road
Westport, Connecticut 06880

RE: Your June 27, 1978 Order
250 New Soda Ash Hopper Cars
ACF Lots 12-01385 & 89

Dear Mr. Zielinski:

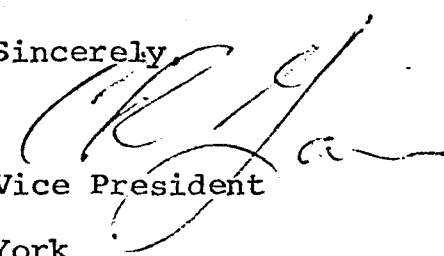
Thank you very much for your order to Bill Swank of our New York office for 250 new 4600 cu.ft. Center Flow covered hopper cars for soda ash service at \$33,185 per car plus escalation.

For tax reasons, your checking with our Marketing people prior to establishing delivery points for these cars is requested. Upon your request, our Tax Department in New York would be glad to work out with you mutually satisfactory delivery points. If you feel you are not taxable where the cars are to be delivered, your furnishing us with an exemption certificate for that state would be appreciated.

Following customary practice, the provisions of our standard Exhibit A which was a part of our original proposal package will apply to your order.

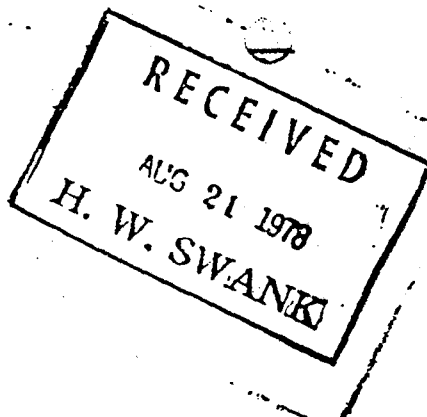
Assuming this is agreeable to you, your signing and returning the duplicate copy of this letter is requested and would be appreciated.

Sincerely,



Vice President

cc: Mr. H. W. Swank SCL - New York



File

August 10, 1978

Mr. H. William Swank
ACF Industries, Inc.
750 Third Avenue
New York, New York 10017

Subject: 250 New Soda Ash Hopper Cars
Order Confirmation

*THIS LETTER
ADDED TO FILE
JAN 10, 1979
COPY OBTAINED
FROM JOE PETERS
Dun*

Dear Bill:

With reference to our June 27, 1978 memo on this subject, we are pleased to advise that our Appropriation Request has been approved. Final details are now being resolved between Stauffer and U.S. Lease Financing, Inc. on the financial leasing arrangement for 250 new, ACFX manufactured, 4,600 ft.³ covered hopper cars. The cars are to be purchased for Stauffer by U.S. Lease Financing, Inc. at a base selling price of \$31,900/car (subject to escalation and cost adds for various specialty items) and built to your Specification No. 12-01380 (refer to your May 2, 1978 memo). Delivery will be made in January and February, 1979 from Huntington, West Virginia.

During the next few days a representative of the Finance Leasing Company will be in contact with your company to work out purchase transaction details. The Investment Tax Credit is to be passed through to Stauffer.

We request the following data as soon as it becomes available:

Lot Number Assigned

Twelve Complete Sets Of All Drawings

Specific Delivery Schedule To Include
Day-By-Day Production Rates

August 10, 1978

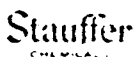
Please note that we wish to have representatives from Stauffer and U.S. Lease Financing present at Huntington during all stages of the production run for continuous inspection. As such, your advice on when the first car will start actual production will be necessary.

We wish to thank you for reserving materials and production space in anticipation of this order. We look forward to working closely with you throughout all phases of planning and car construction. Your continued cooperation in this area is solicited.

Very truly yours,

J. F. Zielinski
Manager, Equipment & Services
Distribution Department

JFZ:lv
CC: J. Murphy - Westport



Stauffer Chemical Company

Westport, Connecticut 06880 / Tel. (203) 222-3000 / Cable "Staufferchem"

June 27, 1978

Mr. H. William Swank
ACF Industries, Inc.
750 Third Avenue
New York, New York 10017

Subject: 250 New Soda Ash Hopper Cars

Dear Bill:

This letter confirms our recent verbal advice that with approval of a Stauffer Appropriation Request (A.R.) now in process, your company will be awarded the order for 250 new 4,600 ft.³ center flow covered hopper cars for Soda Ash service. We ask that materials and production line space continue to be reserved for delivery of all 250 cars during January and February, 1979. This letter cancels and supercedes our March 16, 1978 letter confirming our intent to order 110 new 4,650 ft.³ cars.

All 250 cars are to be purchased at a cost of \$31,900/car (subject to escalation) for Stauffer by a major financial leasing company (see your May 16, 1978 letter referring to inquiry 78EA10LP and the specifications for 4,600 ft.³ cars forwarded to us by you on May 2, 1978 and referring to Specification No. 12-01380). We wish to have all cars constructed based on this specification with the exception of those items listed on Attachment No. I. Please provide an itemized list of cost changes for these items.

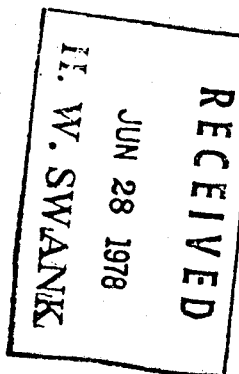
Upon A.R. approval (expected within the next few weeks) our firm order will be placed in writing and the finance leasing company will be identified so that purchase details can be coordinated.

Please excuse the delay in writing this letter to you. We appreciate your suggesting the 4,600 ft.³ size car which enables us to take advantage of a \$31,900/car base price and January/February, 1979 delivery.

Very truly yours,

J. F. Zielinski
J. F. Zielinski
Manager, Equipment & Services
Distribution Department

JFZ:lvg
Attachment



May 16, 1978

Mr. J. F. Zielinski
Manager-Equipment & Services
Stauffer Chemical Company
Nyala Farms Road
Westport, Connecticut 06880

Reference: Our Inquiry: 78EAL0LP
250/4,600-cu.ft. Center Flow
Covered Hopper Cars - Soda Ash

Dear Joe:

Confirming telephone-conversation with you May 15, 1978,
the rental rates and purchase price of the 4,600-cu.ft.
capacity cars will be as quoted in our March 9th proposals
and our verbal advice to you of March 30th, viz:

	<u>ITC Stauffer</u>	<u>ITC ACP</u>
5 years	\$370.00 per car per mo.	\$350.00 per car per mo.
10 years	390.00 per car per mo.	370.00 per car per mo.
12 years	405.00 per car per mo.	380.00 per car per mo.
15 years	425.00 per car per mo.	400.00 per car per mo.

Selling Price: \$31,000.00

The above are subject to escalation based on Addenda I and II
which accompanied our March 9th proposals. The above are also
predicated on our base car and when we receive your list of
alternates for various items, there could be cost adds involved.

Delivery of cars would commence as follows: 110 cars January
1979 and 140 cars February 1979 but not continuously.

Very truly yours,

H. William Swank
Manager-
Eastern District Sales

HWS:JWP-en

cc: Brad Wind - SCL St. Charles

RECEIVED
S.C.L.

MAR 15 8 30 AM '78

SALES ADMIN.
ST. CHARLES

March 13, 1978

Mr. J. F. Zielinski
Manager-Equipment & Services
Distribution Department
Stauffer Chemical Company
Nyala Farms Road
Westport, Conn. 06880

RE: Our Inquiry 78-EA-10LP
60-110/4650 Center Flow Covered Hopper Cars
Soda Ash

Dear Joe:

In line with yours of January 30, we enclose our rental and purchase proposals covering 60-110/100 ton roller bearing CF 4650 Center Flow covered hopper cars equipped with 30" hatches and gravity outlets built generally to Specification SCL-CF-SS3 Rev. 4/77 for the transportation of Soda Ash.

These proposals are subject to acceptance within 30 days from the dates thereof and should you have any questions, please be sure to advise.

We deeply appreciate the opportunity to quote.

Very truly yours,


H. William Swank
Manager
Eastern District Sales

JWP:ama
Enclosures

BCC: Brad Wind-SCL-SC

March 9, 1978

PURCHASE PROPOSAL - Inquiry 78-EA-10-LP

FOR: STAUFFER CHEMICAL COMPANY

With respect to the referenced inquiry, we are pleased to submit the following purchase proposal:

For 60 to 110 - 100 Ton Roller Bearing CF 4650 Center Flow[®] covered hopper cars, equipped with 30" hatches and Gravity outlets, built generally to specification no. SCL-CF-SS3 Rev. 4/77, for the transportation of Soda Ash, our selling price is \$31,900.00 per car.

For your consideration we offer the following alternates:

Alternate #1 - For Application of Stauffer Paint System and Logo Stencil versus SCL Standard, there would be a \$215.00 add to the selling price quoted above.

Alternate #2 - For Application of Enterprise Gravity Outlet, Schedule 2887-E versus ACF Standard #5090, there would be a \$775.00 add to the selling price quoted above.

Alternate #3 - For Application of ACF 5093 Gravity Outlet versus ACF Standard #5090, the selling price would be the same as quoted above.

All cars are F.O.B. ACF Works, Huntington, West Virginia.

The above selling price is for unlined cars.

The above price is subject to escalation at the time of delivery in accord with addendum II attached. We reserve the right to bill the quoted price, and the cars will be invoiced as shipments are made and paid for at such price. Any difference between the aggregate of the initial billings of all cars will be paid by the customer as soon as final price has been determined.

If the cars are lined, the lining applicator shall perform all work in connection with the installation of the interior protective coating, as specified by you in accordance with your specifications or the applicable specifications of the manufacturer of such coating as the case may be. As consist and quality of such coating materials are under manufacturer's sole control, Shippers Car Line cannot warrant the quality of any such lining or its fitness for any particular purpose. If the applicator is other than Shippers Car Line, that applicator is responsible to you for any warranty, and any sale or lease resulting from this proposal shall be upon this understanding, whether or not set forth in any purchase order lease or other instrument. Any freight charges for movement of cars to and from the lining plant will be for your account.

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STAUFFER CHEMICAL COMPANY
Inquiry 78-EA-10-LP

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The conditions which apply to this proposal are outlined in the attached Exhibit "A" which is a party hereof.

Terms of this proposal are net cash per car as delivered.

Subject to delays due to usual contingencies beyond our control and subject also to prior sale of shop space, shipment of the unlined cars can commence during the 2nd Quarter 1979 subject to an accumulated production run, with inspection and final approval to be made at Amcar Division Works - ACF Industries, Inc. - Huntington, West Virginia prior to shipment, and then consigned to you at a point or points outside the State of West Virginia.

This proposal is submitted for acceptance within thirty (30) days from the date hereof. Any sale contract arising out of this proposal shall be binding only after approval at our Executive Office.

ADDENDUM II

Inq. # 78-EA-10-LP
Lot # _____
Contract # _____

ESCALATION CLAUSE:

SALE

Quoted Price: \$31,900.00 per car

This Quoted Price is subject to escalation in accordance with the following formula:

$$\text{Selling Price} = \text{Quoted Price} \times [1 + 0.9 (0.5B + 0.5C)]$$

Where:

B = The percent change in the Bureau of Labor Statistics Wholesale Price Index for "Fabricated Structural Metal Products", Code 107, between the index released by the Bureau of Labor Statistics in the month prior to the month of this quotation and the index released in the month of car delivery.

Therefore, it is agreed that the index level from which the percent change "B" will be measured is 214.6.

C = The percent change in the Bureau of Labor Statistics Wholesale Price Index for "Iron and Steel", Code 101, between the index released by the Bureau of Labor Statistics in the month prior to the month of this quotation and the index released in the month of car delivery.

Therefore, it is agreed that the index level from which the percent change "C" will be measured is 237.7.

In no case shall the Selling Price be less than the Quoted Price.

EXHIBIT "A"

CONDITIONS

DELIVERY: Our obligations with respect to delivery are made expressly subject to rescheduling of shop space and delays due to strikes, differences with workmen, labor troubles, acts of God, Governmental acts and regulations, war or war conditions, riots or civil commotion, sabotage, fires, floods, explosions or other accidents, or to delays of carriers or of subcontractors or in receipt of materials, or to delays occasioned by or arising in connection with the construction of other cars or products for our other customers which are contracted to be constructed at said plant prior to the construction of the cars covered by this proposal, or to any other cause or causes (whether or not of the same general character as those herein specifically enumerated) beyond our reasonable control.

PATENTS: It is understood and agreed that we shall assume all responsibility for and save you harmless from any and all damages, costs, royalties and claims arising out of charges of infringement of United States patents which may be alleged to cover said cars, articles, or parts thereof, excepting those patents covering the manufacture, sale or use in said cars, articles, or parts thereof, of designs, devices, parts, arrangements, specialties and equipment furnished or specified by you and as to such excepted United States patents you shall in like manner assume responsibility and save us harmless. Prompt notice in writing shall be given by each party to the other of any claim of patent infringement presented to such party with respect to said cars, articles, or parts thereof, and the party responsible for such infringement as above provided, shall promptly undertake and assume the defense thereof.

TAXES: It is understood that the prices quoted herein do not include sales, use, excise or similar taxes; in the event any such tax is imposed upon the transaction herein by a Federal, State, Municipal or other Governmental authority, it shall be paid by the purchaser unless he provides us with a tax exemption certificate acceptable to the Governmental authority imposing such tax.

WARRANTY: We will warrant to you that each Car will be free from defects in material (except as to articles or materials incorporated therein which have been furnished by you or by a supplier or suppliers specified by you) and workmanship under normal use and service; our obligation with respect to any Car to be limited to repairing or replacing at our plant any part or parts of such Car which shall, within one year after the delivery of such Car, be returned to us with transportation charges prepaid, and which our examination shall disclose to our satisfaction to have been defective. We shall not be liable for any damages, whether direct, indirect or consequential except as aforesaid. *This warranty is expressly in lieu of all other warranties expressed or implied, including any warranty of merchantability or fitness for a particular purpose.*

This proposal is authorized by our Executive Office. Any contract arising out of this proposal shall be binding only after approval at our Executive Office.

This proposal is limited to acceptance within thirty days from this date.

Exhibit B

(to the Purchase Order Assignment)

CONSENT AND AGREEMENT

The undersigned, ACF Industries Incorporated, a New Jersey corporation (the Manufacturer), acknowledges receipt of a copy of the Purchase Order Assignment dated as of December 1, 1978 (the Assignment) between Trust Company for USL, Inc., as Trustee under a Trust Agreement dated as of December 1, 1978, and Stauffer Chemical Company, a Delaware corporation (the Lessee), and as an inducement to and as part of the consideration for the performance by the parties thereto of their obligations thereunder:

1. Consents to the assignment by the Lessee to Trustee of all of the Lessee's rights and interests in and to the Purchase Order as said order relates to the Items of Equipment on the terms set forth in the Assignment.
2. Agrees that on the date on which any Items of Equipment are delivered by the Manufacturer to the Lessee under the Lease, title to the Items of Equipment shall vest in the Trustee; and that on each Closing Date the Manufacturer will deliver, in form and substance satisfactory to the Secured Party and its special counsel, Messrs. Pepper, Hamilton & Scheetz, each of the documents set forth in Section 4.2(d)(i), (ii) and (iii) of the Participation Agreement.
3. Agrees prior to each delivery to cause each Item of Equipment to be plainly, distinctly, permanently and conspicuously marked upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"Leased from a Bank or Trust Company, as Trustee,
and subject to a Security Interest recorded with
the I.C.C."
4. Except in cases of articles or materials specified by the Lessee and not manufactured by the Manufacturer and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not

developed or purported to be developed by the Manufacturer, the Manufacturer agrees to indemnify, protect and hold harmless the Trustee, the Trustors, the Note Purchaser and the Lessee from and against any and all liability, claims, costs, charges and expense, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Trustee, the Trustors, the Note Purchaser and the Lessee, their assigns or the users of its Equipment, because of the use in or about the construction or operation of any of its Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Trustee, the Trustors, the Note Purchaser and the Lessee will give prompt notice to the Manufacturer of any claim known to them, respectively, from which liability may be charged against the Manufacturer hereunder. At its expense and cost, the Manufacturer with its counsel shall defend such claim. The Trustee, the Trustors, the Note Purchaser and the Lessee shall provide such information as they may possess reasonably to enable the Manufacturer to defend such claim. The Manufacturer agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, assign, set over and deliver to the Trustee, the Trustors, the Note Purchaser and the Lessee every claim, right and cause of action which the Manufacturer has or hereafter shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles of materials specified by the Lessee and purchased or otherwise acquired by the Manufacturer for use in or about the construction or operation of any of its Equipment on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. The Manufacturer further agrees to execute and deliver to the Trustee, the Trustors, the Note Purchaser and the Lessee or the users of its Equipment all and every such further assurance as may be reasonably requested more fully to effectuate the assignment and delivery of every such claim, right and cause of action. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due pursuant to the Assignment, or the satisfaction, discharge or termination of the Assignment in any manner whatsoever.

5. Terms not otherwise defined herein shall have the meanings set forth in the Assignment.

Dated: _____.

ACF Industries Incorporated

By _____